

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 99-890

December 28, 1999

OXFORD WEST TELEPHONE AND
BRYANT POND TELEPHONE COMPANY
Application for Approval of Merger

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order we approve the proposed merger between Oxford West Telephone Company (Oxford West) and Bryant Pond Telephone Company (Bryant Pond). We also grant the request of Bryant Pond to abandon service in its territory, pursuant to 35-A M.R.S.A. §1104, and we grant the request of Oxford West, pursuant to 35-A M.R.S.A. §§ 2102 and 2105, to furnish telephone service in the territory in which Bryant Pond is currently providing service. Finally, because Oxford Telephone Company (Oxford Telephone) is an affiliated interest of the Applicants, we grant approval for Oxford Telephone to proceed with a reorganization pursuant to 35-A M.R.S.A. §708. Oxford Telephone is not directly affected by the proposed merger.

II. DESCRIPTION OF THE REQUEST

On December 10, 1999, Oxford West Telephone Company and Bryant Pond Telephone Company (jointly the Applicants) filed an application pursuant to 35-A M.R.S.A. §§ 708 and 1101 for approval of a merger between the two Applicants. Under the merger, Oxford West will be the surviving company pursuant to an Agreement and Plan of Merger adopted and approved by the shareholder and the Boards of Directors of the Applicants.

Each of the Applicants is a telephone utility authorized to provide local exchange service within certain defined service territories. Both of the Applicants are wholly-owned subsidiaries of Oxford County Telephone and Telegraph Company, which owns 100% of the common stock of each company, as well as 100% of the common stock of Oxford Telephone Company, which is not a party to the instant reorganization. The proposed transaction would be a complete merger of Bryant Pond into Oxford West, and Oxford West would assume all property, assets, rights, liabilities, obligations and responsibilities of Bryant Pond.

The Applicants assert that the merger will not adversely affect the customers of either company, and the merger may provide opportunities for efficiencies through the elimination of redundancies in operating and overhead costs. There will be no

immediate change in the rates, terms and conditions of either company as a result of the merger, but the Applicants state that Oxford West will likely implement a single, unified schedule of rates, terms and conditions in the future. Customers of the Applicants should see no significant change in the operations or services of their local exchange carrier, nor should they experience any confusion due to the merger. Because the Applicants share a common parent, the costs of completing the merger should not be significant, and in any event, will not become part of any future rate proceeding.

III. ANALYSIS AND ORDERING PARAGRAPHS

Having examined the record before us, we find that the proposed merger is not adverse to the interests of the ratepayers or the investors of either of the Applicants, and we will grant the approvals necessary to allow the merger to proceed. We attach only one minor condition to our approval. Until Oxford West receives approval of a single, unified set of rates, terms and conditions, it must maintain property records that are sufficient to identify the location and original acquiring utility of any fixed assets of the combined company, including telephone operating property acquired subsequent to the merger. Any general support assets acquired after the completion of the merger are not subject to this requirement if those assets are used in the provision of service to ratepayers in both of the pre-merger service territories. This condition is imposed so that the assets that are associated with the provision of service in each of the companies current service territories can be readily identified, in the unlikely event that the Commission were to order separation or divestiture of the two companies.

Accordingly, we

O R D E R

1. That the proposed merger between Oxford West Telephone Company and Bryant Pond Telephone Company is approved according to the provisions of 35-A M.R.S.A. §§ 708 and 1101;
2. That the request of Bryant Pond Telephone Company to abandon service under 35-A M.R.S.A. §1104 is granted, effective at the time of closing of the merger;
3. That Oxford West is authorized to provide service in the territory of Bryant Pond under 35-A M.R.S.A. §§ 2102 and 2105, effective as of the closing of the merger, and
4. That the reorganization of Oxford Telephone Company, pursuant to 35-A M.R.S.A. §708, due its status as an affiliated interest of Oxford West and Bryant Pond, is approved.

Dated at Augusta, Maine, this 28th day of December, 1999.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.